



CITY OF LODI

COUNCIL COMMUNICATION

AGENDA TITLE: Notice From Pacific Gas & Electric (PG&E) Company Of Changes In Proposed Gas Rates


MEETING DATE: May 3, 2000

PREPARED BY: Interim City Clerk

RECOMMENDED ACTION: Information only, no action required.

BACKGROUND INFORMATION: The City Clerk's Office has received a notice from Pacific Gas & Electric (PG&E) Company of changes in proposed gas rates (Exhibit A). This is information only, no Council action is required.

FUNDING: None


Jacqueline L. Taylor
Interim City Clerk

APPROVED: _____
H. Dixon Flynn -- City Manager



**Pacific Gas and
Electric Company**

EXHIBIT A

J. Michael Reidenbach
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April 13, 2000

TO STATE, COUNTY AND CITY OFFICIALS:

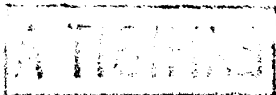
NOTICE OF CHANGES IN PROPOSED GAS RATES

On April 3, 2000, Pacific Gas and Electric Company ("the company") asked the California Public Utilities Commission ("CPUC") to approve a decrease in natural gas rates for the two-year period beginning January 1, 2001 (Application No. 00-04-002). The net result of these proposed changes will be to decrease the average bundled residential customers' rates by 3.5 percent and to decrease average bundled commercial customers' rates by 9.5 percent. The average transportation rates for other customers will decrease by 11.4 percent. These rates are compared to rates in effect March 1, 2000. Electric rates are not affected.

The proposal decreases gas transportation revenues by \$132 million compared to transportation revenues from rates in effect today. The rates that customers pay the company for gas purchases change monthly and are not changed by this application.

Pacific Gas and Electric Company is proposing rates that recover the CPUC-authorized costs of serving customers on our gas distribution system. We are also proposing new gas demand forecasts, cost allocation and rate design proposals that we believe will result in rates that more closely reflect the cost to provide service to customers. Rates adopted by the CPUC for individual customer classes may be higher or lower than our initial proposal.

If approved by the CPUC, gas rates would change as shown below and take effect January 1, 2001. The specific rate changes are shown in the following table:



PROPOSED GAS RATE CHANGES
(\$/therm)

| <u>Customer Class</u> | <u>Present</u> | <u>Proposed</u> | <u>% Change</u> |
|--------------------------------|----------------|-----------------|-----------------|
| BUNDLED CORE | | | |
| Residential | \$.684 | \$.660 | -3.5% |
| Small Commercial | \$.659 | \$.594 | -9.7% |
| Large Commercial | \$.472 | \$.465 | -1.3% |
| NONCORE TRANSPORT | | | |
| FIRM BAJA PATH (1) | | | |
| Industrial Distribution | \$.128 | \$.104 | -18.5% |
| Industrial Transmission | \$.042 | \$.038 | -8.7% |
| Cogeneration | \$.036 | \$.033 | -9.7% |
| Electric Generation | \$.036 | \$.033 | -9.7% |
| Wholesale - Coalinga | \$.038 | \$.035 | -8.4% |
| Wholesale - Palo Alto | \$.035 | \$.032 | -9.1% |
| Wholesale - West Coast Gas | \$.041 | \$.038 | -7.8% |
| Wholesale - Island Energy | \$.061 | \$.058 | -5.2% |
| Wholesale - Alpine Natural Gas | \$.038 | \$.035 | -8.3% |

(1) Noncore Rates include \$0.017 of annual firm backbone transportation on the Baja path.

If the CPUC approves the company's request, a bundled residential customer with an average monthly usage of 52 therms per month would see a monthly gas bill decrease of \$1.25, from \$35.27 to \$34.02. An individual bill may differ depending on the amount of energy use.

EVIDENTIARY HEARINGS

The CPUC may hold hearings to receive comments from the company, the CPUC's Office of Ratepayer Advocates, and other interested parties. Parties at these hearings may offer proposals that differ from ours. After considering the various proposals, the CPUC will issue a decision and could adopt a mechanism that is different from what has been proposed.

FOR FURTHER INFORMATION

If you need more information, or if you want to get copies of the Office of Ratepayer Advocates' rate proposals when they are available please write to:

The Office of Ratepayer Advocates
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

Mention that you are writing about Application No. 00-04-002, and indicate if you would like a written response, otherwise no reply will be sent. Your letter will be sent to the Commission and will become part of the formal correspondence file for the application.


You can get more information from PG&E from J. Michael Reidenbach, by calling him at (415) 973-2491 or writing him at:

Pacific Gas and Electric Company
P.O. Box 7442
San Francisco, CA 94120-7442
"Attention: Application No. 00-04-002

You may review a copy of the Application at our corporate headquarters (77 Beale Street, 31st Floor, San Francisco, CA 94105), at any of our division offices, or at the San Francisco office of the CPUC. Ask for Application No. 00-04-002.

This notice is given in accordance with the requirements of Rule 24 of the CPUC's Rules of Practice and Procedure.

PACIFIC GAS AND ELECTRIC COMPANY

By: 

J. MICHAEL REIDENBACH
Attorney